Summary of the Seven Year Plan for Economic Development 1964 - 1970

Jordan was affected with vast problems arising from the events of 1948. Within a few months' time, Jordan's population trebled without any similar increase in its resources. Jordan was also faced with the necessity of rerouting completely its trade and communicational lines, as all these turned westwards before 1948, towards the shores of the Mediterranean, where the ports, airports, modern railway lines and telecommunications existed. As a result of this pressure, Jordan had to develop its basic sectors for its economy in such a short time, as would have taken generations in most of the other countries.

But Jordan is still facing major economic problems, summarized as follows:

1. The balance of trade

   Jordan has been facing a chronic deficit in its balance of trade. In 1961, receipts from the exports of goods and services amounted to 27% of imports and services, while the rate went up to 33% in 1963.

2. Level of budget support

   Jordan's basic economic conditions made it depend on foreign aid which comprised the organized aid for covering the necessary regular expenditures of the Government of Jordan. Of JD 37.6 million anticipated Government revenues in 1963-4, budget support of JD 14 million constituted 37% and development grants and loans of JD 6.4 million constituted 17%. Thus, only 46% of budgeted revenues were to be collected by the Government in the same fiscal year.

3. Per Capita income

   In spite of the large increases in the national income in the last years, the average yearly income of a single person remained low. In 1963, gross national product averaged 75 dinars per person, which is a low figure compared to the average income of a single person in the advanced countries and some developing countries, although being double the figure for 1956.

4. Level of unemployment

It has been revealed from the population census of 1961 that 7% of the economically active population were seeking employment. If we add to this figure males of ages from 15-64 and who are not economically active, we find that unemployment amounted to 12 - 14% of the total male labour force in 1961.

Over and above, the Jordanian economy on which agriculture has prevailed and in which one-third of its population work, agricultural income constitutes not more than 20% of the gross domestic product because of irregularity of rainfall and small area under cultivation, in addition to limited Jordanian market, meagre natural resources and inavailability of technical experience.

Goals of the Seven Year Plan

For all these reasons and for the wish of the Government to develop Jordan's economy, the Development Board prepared the Seven Year Plan for Economic Development to achieve the following goals:

First - A major reduction in the balance of trade deficit and a reduction in the level of budget support as much as Jordan can bear.

Second - Increase in the income of the individual as rapidly as possible and in a way consistent with goal 1.

Third - A reduction in the level of unemployment.

The Program comprises also complete projects in all fields of economy, both private and public and that the Program which plans effective steps for moving towards economic independence and growth, emphasizes the necessity for limiting the increase in private and public consumption and the necessity of capital investment within the frame of protecting individual economic liberty and encouraging the private sector to participate in economic development with prospects of profit, and supported and backed up by the Government.

The Program expects to increase the National Product from JD 137 million in 1963 to JD 226 million in 1970, or with an increase of 65% during the years 1964-1970. The balance of trade deficit will also be reduced from JD 41 million in 1963 to JD 24 million in 1970, whereby the deficit will constitute 11% of the Gross National Product instead of 30%, as was the case in 1963. The Program also expects to reduce the direct budget support to a level of 43% as was in 1963. Employment opportunities will increase during the period of the Program at an average of 5% a year.

To achieve these aims the Program calls for:

1. The limit increase of private consumption where it will not go beyond 4% yearly, of which 3% represent the increase in population and 1% in the standard of living of the individual. Thus, private consumption will rise from JD 116 million in 1963 to JD 153 million in 1970.

2. The great increase in central Government recurring expenditures must be restrained whereby it will rise from JD 33 million in fiscal year 1963/64 to JD 41 million only in fiscal year 1970/71. The great increase in local Government's recurring expenditures must also be restrained whereby it will rise from JD 1.6 million in 1963 to JD 2.4 million only in 1970.

3. The increase in capital investments of private and public sectors will rise from JD 18.7 million in 1963 to JD 42.3 million in 1970, where the total investments by the private and public sectors for the period of the Program will amount to JD 274 million, distributed on the economic activities as follows:

Public and Private Gross Capital Investments over the Period of the Seven Year Program

(JD 000's)

Economic Activity	Public Sector Central Govt. & Local Govts.	Private Sector
Agriculture & water (including local government's water projects)	57,940	16,270
Tourism (including hotel construction)	2,795	9,700
Mining	7,589	22,645
Industry and Electricity	5,832	10,984
Roads, Railways Ports & Aviation	34,932	-
Communications/Posts, Telegraphs and Telephones	5,810	-
Education (including the Sports Stadium)	4,328	3,125
Health and Social Affairs	2,365	735
Trade and Services	-	7,070
Housing and various constructions (including the projects of local Govts)	16,494	31,720

Economic Activity		Public Sector Central Govt. & Local Govts.	Private Sector
Transportation Equipment		-	12,300
Other Unallocated Investments		7,571	14,650
	Total	145,656	129,195

4. (a) Increase Jordan's exports of agricultural, mining and industrial goods from JD 6.6 million in 1963 to about JD 24.0 million in 1970.

   (b) Increase income from tourism and other services from JD 13.7 million in 1963 to about JD 35.2 million in 1970.

   (c) Increase the income from Jordanians abroad, interest and profits and from the petroleum companies operating in Jordan from JD 8.6 million in 1963 to JD 11.0 million in 1970.

   (d) Thus, the total income from exports of goods, services, remittances and other incomes, will rise from JD 28.8 million in 1963 to JD 70.2 million in 1970.

5. Increasing imports at a rate less than that of the increase in exports over the period of the Plan whereby:

   (a) The value of imported goods will rise from JD 53.7 million in 1963 to JD 69.5 million in 1970.

   (b) The major part of this increase will be used for importing productive or investment commodities.

   (c) When the expected increase in other foreign payments is added, the imports of goods and services are expected to rise from JD 61.1 million in 1963 to JD 83.0 million in 1970.

6. It is clear from paragraphs 4(d) and 5(c) that the ratio of exports of goods and services to imports of goods and services will rise from 47% in 1963 to 85% in 1970.

Sectoral Programs

Following is a summary of the various sectoral programs listed in the Seven Year Plan for Economic Development:

I The Fiscal Policy

The Fiscal Tax Program is an indirect means which the Government can use to direct economic activity in general and execute the Seven Year Program in particular, a fact which calls for interest in the following points during the period of the Program:

(a) Restrict the growth of consumer spending especially on luxuries.

(b) Increase the level of private saving and channel it into productive investment.

(c) A slight increase in the Government recurring expenditures.

(d) Increase collections of direct and indirect taxes.

(e) Increase exports and restrict the increase in imports.

(f) Increase Government borrowing to cover the difference between Government revenues and its capital and recurring expenditures.

The Fiscal Program calls for the following:

(a) The Spending Program

Increase the Government recurring expenditures slowly and steadily from JD 33.2 million in 1963 to JD 41 million in 1970. The Government capital expenditures will be JD 6.2 million in 1963, will rise to JD 29.8 million in 1967 and then drop to JD 15.3 million in 1970.

(b) The Tax Program

The Tax Program is designed to lessen the adverse effect on local investment, reduce luxury consumption as much as possible and encourage foreign investment. To achieve these objectives, the fiscal program proposes the following:

1. Enacting a new income tax law the basis of which is to cover all incomes including capital gains, agricultural income, share profits, profits and interest accruing from abroad, increasing the higher income, bracket categories and imposing a tax on the profits of shareholding firms.

2. Cancel the present law of lessors and lessees during the period of the program and replace it by a new law whereby the lands and buildings tax within the planning and municipal areas will become a greater source of revenue.

3. In 1965 a luxury tax shall be imposed on both imported and locally produced luxury items. Tax on edible salt shall be raised to provide a reasonable revenue.

4. A sales tax and taxes on transfers of estate and bequeathals should be commenced and imposed in 1967 to complete the cycle of taxing system in Jordan.

5. An increase in telephone and telegraph rates should be made early in 1965.

6. The present Law of Collection of State Funds should be replaced by another more effective law.

7. Secure an increase in the revenues of local Governments.

8. Commence sale of Government Bonds as of 1966 and increase foreign loans.

II Government Administration

As progressive economic development depends upon many variables, but basically on competent planning, adequate financing, scope of efficiency in private and public economic activities and the desire to develop, this emphasizes the Government's crucial role, the insight, good coordination and efficiency it must have in various phases of Government activity. Therefore, a separate chapter was incorporated in the Seven Year Plan for the relations of Ministries and Departments and how the relation between the Ministries and Departments should be. This chapter includes a number of Government Administration fields which are considered necessary. The chapter included the following main proposals:

(a) <u>The Development Board and the Government Administration</u>

1. Re-structuring of the Development Board by the appointment of Ministers.

2. Asking the Development Board to provide regular economic advice to the Council of Ministers.

3. Making the Development Board responsible for negotiations with the United Nations for Technical Assistance.

4. Formalization of relationships between the Budget Department and the Development Board on the following basis:

   (a) The Budget Department will be consulted before any technical assistance agreement is signed.

   (b) The Development Board will be consulted while the annual budget is under preparation and given an opportunity to appraise the degree to which the Budget provides funds for the program projects of the Plan and to appraise the fiscal policy implicit in the total budget.

5. Formalization of relationships between the Ministries and the Development Board.

6. Appointment of a committee to study the optimum location of the Statistics Department in the light of Jordan's maturing Government structures. The committee should include a representative of the Ministry of National Economy and the Development Board.

7. Consolidation of geological and mineral services which are at present dispersed in various agencies and departments.

8. Each Ministry shall take the responsibility of studying and improving its own organizational methods and procedures.

(b) <u>The Budget Department</u>

1. Strengthening the Budget Department staff. Whereas this Department, in its daily and yearly works and activities is just as much a short-term plan as a financial controller, therefore the Budget Department should be closely associated with planning in all levels and in different conditions, which calls for the strengthening of its staff in order to carry out this dual work.

2. Improvement of tax collection and early closing of accounts.

(c) <u>Personnel and other Affairs</u>

1. Expansion and reorganization of the Civil Service Department whereby 7 main divisions and a small section for purely internal administration shall be established.

2. Study of salary and pension structure.

3. Increase in the Government working hours.

4. As manpower is Jordan's basic natural resource in the broadest sense, a permanent "Manpower Planning Group" must be established either in the Civil Service Department or with that Department playing a leading role in its initiation and operation.

(d) <u>Judicial Administration</u>

As the Plan envisages an expansion of commerce both internally, in the form of greater production, and externally in the form of increased investment this all will involve an increase in commercial disputes requiring arbitration and prosecution. Therefore, the Seven Year Plan proposes the creation of the legal commission to review and recommend on the present judicial structure and procedures especially as they relate to commercial activities in an expanding economy. The Commission could seek the experience of other Arab and Moslem countries in this respect.

III Agriculture

Agriculture is considered one of the major sectors in the Jordanian economy. While providing employment for more than one-third of the labour force, agricultural net income amounted to only 17% of Gross Domestic Product during the period 1959-1961. About 30% of the total agricultural production is derived from irrigated lands.

The aims of the agricultural sector may be summarized as follows:

1. Increase total production of major crops.
2. Increase the production of poultry meat, fish and livestock products to cut on imports.
3. Plant more vines, olives and fruit trees and study the possibilities of introducing new crops.
4. Improve marketing methods by increasing exports.
5. Control soil erosion, protect watersheds and expand afforestation.

a. Research Programme

The programme stresses in particular the necessity of strengthening the Agricultural Scientific Research Department and improving the conditions of those employed by it to secure their stability and continuation of work. It also calls for confining research to the fields directly related to agricultural development. There are 24 research projects that will be completed by the Department during the period of the programme of which the following are the most important:

1. Conduct comparative trials on tomato varieties and other vegetables and the use of modern farming practices to increase production.
2. General survey of nematodes and methods of control.
3. Conduct research trials on grains to select and breed drought resisting varieties.
4. Select the best farming equipment, crop rotation and crops that suit dry land farming.
5. Conduct an overall study on the production of tobacco and methods of curing it.

6. Conduct an overall survey on soil fertility in the Ghor areas for the purpose of maintaining the level of fertility.

7. Conduct research on forage within the crop rotation in irrigated and dry areas.

8. Comparison of milk production and various livestock breeds, particularly milk and Shami cattle.

9. Expand research work on Owasi sheep and Baladi goat in Walla and Fujeij Stations in dry land areas.

10. Study fish breeding possibilities in fresh waters.

11. Establish a Farm Economic Section to conduct studies on farm management, cost and productivity of the various crops and importance of the effect of various production factors on quantity and cost.

b. <u>Agricultural Extension Program</u>

The program calls for upgrading the agricultural extension agents by sending them on training courses abroad and increasing in-service training courses in the Training Centre of the Extension Division. During the period of the Plan many extension agents will be sent abroad for training and specialization. The program also provides for the establishment of an Agricultural Information Section, for participation with the departments concerned in the East Ghor Canal Rural Development Project and supervision of the new farm land development and preparation project in that area in cooperation with the cooperative societies.

c. <u>Program of Horticulture and Agronomy Section</u>

The program calls for increasing services to farmers through the development of the improved tomato production and distribution programs, production of seedlings and specialization of Government nurseries in one or two types of seedlings to raise the efficiency of these nurseries, establishment of new nurseries in Tafileh and other cities for palm shoots production in the Ghor area, development of Faisal Nursery to meet the expected development needs for vine and olive planting, preparation of farmers and cooperative societies to take up the duty of producing seedlings and assist them by providing loans and extending technical advice. The Ministry will gradually withdraw from this field.

d. Agricultural Census Program

The program aims at replacing the present method of "estimating areas" by the method of "sample" in agricultural statistics.

e. Livestock Development Program

The program calls for increasing the number of sheep, raising the average carcass weight of slaughtered animals by enacting laws for this purpose, encouraging cooperative societies to produce meat in the various districts of Jordan, assignment of the desert areas that are being developed for forage production in order to support livestock projects and increase meat production and livestock products.

As for goat, the Plan provides for reducing their numbers, particularly in the forest areas to stop deterioration of range land and forests. Regulating grazing in these areas will in time help to restore the range to their normal condition and to introduce sheep rather than goats. Because of the low production of forage and present lack of demand on beef, no considerable progress is expected in the production of beef. The expected changes in the consumption habits of the people in general may lead to increasing demand on beef in the future.

As the possibilities of increasing meat production in the aforesaid fields are limited over the period of the Plan, emphasis will be made in particular on increasing the production of poultry meat and fish. While expansion in poultry meat production needs little encouragement, due to the farmers readily taking to it and its rapid development, the public sector will support the Fisheries Company and provide it with loans to increase fish quantities caught in the Red Sea Waters by improving fishing facilities, buying modern boats and concluding agreements with the Arab States situated on the Red Sea either for obtaining fishing concessions in their territorial waters or for extending facilities to the Jordanian fishermen when they resort to their ports.

In order to preserve the livestock resources, the Program calls for a considerable increase in the number of veterinarians, construction of ten veterinary clinics in the main centres, provision of the Veterinary Department with 6 mobile clinics to operate in the desert areas and preparation of veterinary laboratories for the production of most types of vaccines required in 1970.

f. Forestry and Soil Conservation Program

As most of the districts of Jordan are subject to soil erosion and irregular grazing and as the range areas were converted to farming lands in the dry areas as a result of the great need for farming land and the introduction of tractors, a fact which led to extreme deterioration in livestock feed resources and loss of plant soil, therefore the Plan stresses in particular the need for stopping this deterioration by prohibiting grain production in the areas in which the average rainfall is less than 200 mm. and restoring them to natural rangeland. It also calls for afforestation of the areas exposed to soil erosion, protection of watersheds especially in the valleys adjoining the East Ghor Canal on which dams will be constructed to collect flood waters. These wadis are 1573 square kilometers in area.

g. Agricultural Marketing Program

The Agricultural Marketing Bureau will undertake, in cooperation with the UN/Special Fund, a study of the local markets and will enact the necessary laws for their reorganization. It will also study the foreign markets, the possibilities of export thereto and the type of crops and agricultural products for these markets. The Program provides for the unification of measures and scales in Jordan during the period of the Plan. Planning was started for the construction of three centres for grading and packing of citrus, vegetables and fruits in Shouneh, Wadi Yabes and Halhoul Centres for the establishment of a special institute for training technicians and sons of farmers in the marketing methods and practices.

h. Agricultural Credit Corporation Program

Due to the urgent need for capital to invest it in this sector, the program calls for increasing the medium-term and long-term loans granted by the Agricultural Credit Corporation by obtaining long-term loans from foreign financing sources at easy terms.

i. Cooperative Societies

The Plan calls for supporting the agricultural cooperative societies by increasing their present number and the number of members, increasing the size of annual loans given to the member in addition to the formation of a number of societies for marketing and other purposes and some unions for these societies.

IV Water

The water program includes the following:

a. Completion of the East Ghor Canal Project.

b. Grand Yarmouk Project.

The Grand Yarmouk Project consists of 3 parts, i.e. construction of dams, construction of irrigation canals and construction of electric power generation facilities.

The dams program requires the construction of 2 dams, the first in Mokhaibeh site with a height of 100 meters and a capacity of 200 million cubic meters of water and the second in Maqarin site with a capacity of not less than 350 million cubic meters of water.

The need calls for raising the embankments of the East Ghor Canal to take double the present quantity of water, extending the Canal for 35 additional kilometers to reach the Dead Sea whereby it will become 105 kilometers long and constructing a 60 kilometers long new canal parallel to the main one with a capacity of 16 cubic meters per minute. The project also requires the construction of a siphon to divert the waters from the East Ghor to the West Ghor across River Jordan at a point near Deir Allah and extending a main canal in the Ghor to irrigate its lands which is 45 kilometers long. The project also calls for the construction of lateral canals, a distribution system and the construction of pumping stations in the places which cannot be irrigated by gravitational flow. The project recommends the construction of electric generation stations in North Shouneh with a capacity of 30 megawatts and others at Maqarin site.

c. Central Water Authority

1. The projects aim at utilizing the quantities of water available at present as much as possible in order to protect and develop the present small springs and provide the requirements of drinking water for people and livestock. It also calls for the construction of canals to connect water to farming lands, the renovation of cisterns, drilling of wells, supplying cities with water, construction of village water projects and establishment of modern water systems in a number of cities and small municipalities.

2. Groundwater Geological and Hydrological Studies

The Central Water Authority Programme includes an overall survey of the deep groundwaters that are found in the East Bank of Jordan. The studies cover an area of 60,000 square kilometers situated between the borders of the Kingdom of Saudi Arabia from the South and Zarqa River from the North. The purpose of this study is to determine the areas in which groundwater is available in adequate quantities and which is exploitable for agricultural, industrial and drinking purposes. The period required for this study is estimated at 4 years after which execution will start.

3. Construction of 2 Dams on Wadi Shuaib and Wadi Kufrain

Two dams will be constructed by the Central Water Authority on Wadi Shuaib and Wadi Kufrain outside the canal area to retain flood waters in winter and make use of them in irrigating 15,000 dunums of land.

V Tourism

Jordan is considered one of the World's important touristic countries as it includes a number of historical and religious sites which, if exploited to the best, would realize great gains to this country.

Jordan which started studying this abundant source of income in the beginning of this decade, is in need of many financial sacrifices to promote tourism and consequently, to utilize its resources adequately to an extent that secures to Jordan a continuous income consistent with the importance of its historical and archaeological sites.

Therefore, high consideration was given by the Government to the Tourism Sector in the Seven Year Plan. The objectives of the Tourism Programme include the following:

1. Increase the total number of tourists visiting Jordan from 323,500 in 1963 to 827,300 in 1970.

2. Increase the average duration of stay of Americans in Jordan from 3 to 4.5 days and that of non-Americans from 3 to 4 days.

3. Increase gross tourist expenditure from JD 6 million in 1963 to JD 26.5 million in 1970.

Achievements of these objectives require execution of the following:

(a) Support and strengthen the Tourism Authority by doubling the number of personnel, training them in Tourist techniques abroad, adding new sections for administration, public information, photography, arts and production as well as the required equipment and machines.

(b) Support and strengthen the Antiquities Department by increasing its staff, training them abroad and providing it with various equipment.

(c) Make publicity abroad to attract tourists to Jordan because telling the tourist of Jordan's touristic attractions is very essential for increasing the number of tourists and because on it depends the success of the Tourism development project. This calls for carrying out several things, the establishment of information offices, designing publicity materials, participating at fairs and expositions, advertising in magazines and newspapers and cooperating with the World Tourist and Travel Bureaus.

(d) Provision of additional hotel facilities to accommodate the expected increase in number of visitors and the increase in the average duration of their stay in Jordan. The number of rooms that must be added during the seven years was estimated at 3378 double rooms, the costs of each of which is estimated at JD 3,000. Most of them will be financed by the public sector.

(e) In addition to the above proposals, there are several other things which should be taken into consideration if the Tourism Development Programme is to bear fruit. This includes the construction of the Guide and Tourist Police School, promotion of special festivals and programmes and the improvement of the conditions of the Municipalities which reflect the country's progress.

Moreover, the responsible departments should undertake extensive programmes for the maintenance and restoration of historical sites, buildings and memorial and archaeological structures which are the most important things that attract tourists to Jordan.

(f) Construct tourist resthouses to provide sleeping facilities in each of Karak, Azrak, Wadi Rum, the Desert Highway and others.

VI Mining

At present, the only mineral resources being commercially exploited are phosphate, marble and salt. In order to achieve a significant improvement in the balance of payment position by 1970, Jordan places heavy reliances on the production and exportation of minerals. This includes a large increase in phosphate production starting in 1968, and an increase in exports of marble. As the content of production is low, these increases in exports will make possible a major improvement in Jordan's balance of payments position.

In addition to phosphate, potash and marble which are currently in production and/or passed the scrutiny of technical and feasibility studies, there are a number of other mineral resources which might be exploited if the studies confirm their economic feasibility.

The Programme's objectives include continuation of the general all-purposes geological survey of Jordan, preparation of detailed geological maps for the areas in which the availability of mineral resources was confirmed, conducting geophysical and geochemical explorations and others and, then, conducting economic feasibility studies in the areas in which minerals might be found. This is in addition to the expanded production of phosphate, potash and marble as stated above.

VII Industry

In 1961, Jordan consumed JD 39.5 million worth of manufactured consumer goods of which JD 15.3 million were imported. Local production totalled JD 26 million of which JD 1.8 million was exported. This sector, therefore, contributes significantly to the adverse balance of trade. Insofar as imports of consumer goods reflect personal incomes, the increases in the latter projected in the Plan will exacerbate the payments gap unless local production expands to replace imports and/or to increase exports. Such an expansion in production is the objective of the industrial sector.

Jordan has two specific handicaps to industrial development - a shortage of local raw materials and a small domestic market. Against these factors should be placed low labour costs, a potentially productive labour force, a sound transport system and established trade connections with neighbouring countries. Although the major limitation in industrial development has been lack of finance, the ability to carry out projects promises well for an effective contribution to the overall goals of the Seven Year Plan from this sector.

In fact, startling industrial expansion is not assumed in the Plan. It will be satisfactory if imports of consumer goods can be held stable.

The basis of the Plan for industry has been detailed scrutiny of the feasibility of individual industries with regard to consumption patterns, potential import substitution, economic output and capital requirements.

For this purpose, manufacturing industry has been divided into 6 sub-sections: food and feed, beverages and tobacco, textiles and clothing, non-metallic minerals, petroleum refinery, other products.

To develop industry in Jordan, the Seven Year Plan included the following proposals:

(a) Reorganization and expansion of the Ministry of National Economy, setting up an Industry Department with Licencing and Statistics and Advisory Divisions.

(b) Setting up a Standards Bureau within the Ministry of National Economy.

(c) Reorganization of the Customs and Excise Department for speeding up collection procedures.

(d) Staff increases in the Ministry of National Economy and Customs Department.

(e) Promotion of Jordan Industry like posting Commercial Attaches to countries abroad.

(f) Amendments of laws affecting industrial development.

(g) Provision of credit to private enterprises.

(h) Establishment of an Industrial Development Bank with sufficient financial resources to provide credit to industry and tourism.

VIII Transportation

The major objectives in the field of Transport are the encouragement of Tourism and the provision of low-cost transport for imports and exports. There are projects that must be completed to support the Plan and achieve its objectives:

1. A road to connect the Potash at Safi with Aqaba Port.

2. A rail link between the Phosphate sites at El-Hasa, Ruseifa and Aqaba Port.

3. Increase the loading facilities at Aqaba Port for planned export.

4. Extension and improvements of present airports.

The projects that must be implemented under the Seven Year Plan are:

(a) Extension and improvement of facilities at Jerusalem and Amman Airports, raising their standard and providing them with qualified staff and excellent technical possibilities.

(b) Improve the meteorological facilities and potentialities to contribute to safety in air and water navigation and benefit agriculture.

(c) Complete the Highway system to help transport Jordanian agricultural products, connect the Potash site at Safi with Aqaba Port, connect the Tourist sites with the main Jordanian cities and construction of secondary roads.

(d) Provision of adequate facilities at Aqaba Port to facilitate import and export operations.

(e) Connect the railway with Aqaba Port, raise the standard of railway line and renew its wagons.

IX Communications

(a) Telecommunications

The programme proposes the appointment of a special committee composed of one senior civil servant from each of the following organizations:

Ministry of Communications, Development Board, Budget Department and the Civil Service Commission to re-organize the administrative, accounting and technical operations of the Communications Department. After carrying out its responsibilities including the completion of the proposed changes and organization, the Committee will submit its final report to the Minister of Communications who will, in turn, take a final decision on the establishment of a Telecommunications Company whose objectives shall be to provide the following services:

1. Efficient service to subscribers through re-organization of the administrative, accounting and technical operations of the Ministry.

2. At least a six per cent return on investment.

3. Increase the number of telephones by 50% during the period of the Plan.

(b) Postal Services

It is proposed to increase the number of Postal Centres during the period of the Plan in a way to meet the following objectives:

1. Provide efficient services to meet the needs of the growing population.

2. Introduction of Postal Savings.

(c) <u>The Hashemite Broadcasting Service</u>

The major objective of the Broadcasting Programme is to disseminate general culture in the country.

There are now about 190,000 receiving sets for this purpose. As the Broadcasting is interested in having its programmes heard in the neighbouring Arab countries, the following is proposed:

1. Installation of 100 kw transmitter.

2. Radio links in mobile units for outside broadcasting.

3. Large studio in Amman.

4. Telephone and Teleprinter network between Palaces, Prime Minister's Office and the Broadcasting Studios.

   An additional amount will be allocated for spare parts in each of the fiscal years 1964/65, 1965/66, 1966/67, 1967/68, 1968/69, 1969/70. Another amount will be allocated for the projects of 1970/71.

5. Medium wave transmitter, plus emergency power plant requiring no capital cost during the Plan.

X <u>Electricity</u>

Adequate supplies of low cost electricity are essential to economic development and to improvement in living conditions. The per capita consumption of electricity is often taken as an indication of the level of economic development.

Consumption of electricity per capita in Jordan in 1962/63 was approximately 56.5 kwh. In Lebanon, it was 346 kwh; in Iraq, it was 150 kwh, in Egypt it was 116 kwh and in Syria the average per capita consumption was 88 kwh. The studies conducted by Lahmeyer Consulting Engineering Firm, Germany, indicated that in 1962, only 25% of the population of Jordan were enjoying the benefits of electricity.

The Lahmeyer Report of 1963 estimated that the purchases of electric power in 1971 in the Northern Region (all West Bank plus all East Bank from Madaba North) would be 304 million kwh and consumption in the Southern Region (including Phosphate and Potash Projects) would be 81 million kwh or a total of 385 million for all Jordan.

The Lahmeyer Report recommended the following:

1. A central thermal steam station at Zerqa, close to the Petroleum Refinery, with a capacity that may reach 60,000 kw by 1971.

2. A 110 KV primary transmission system in the form of a "grid" linking Amman, Jerusalem, Nablus, Irbed and the Yarmouk Project when implemented.

3. The use of certain existing Diesel Station, extended as necessary, for peak load operation.

4. The closing down of the remaining small and uneconomic generating stations and providing a 33 KV secondary transmission lines to give bulk supplies.

5. A modest programme of village electrification by means of 33 KV lines such that about one-third of presently un-electrified villages would be supplied by 1971.

6. The provision of a separate small 33 KV network linking Safi and El-Hasa with spur lines of Tafileh and Karak, to be supplied from the projected power station of the Arab Potash Company at Safi.

An accurate analytical study of the factors affecting the organization of public electric supply resulted in the submission of 3 organizational alternatives:

Alternative A - Complete integration of the Electricity Industry under the supervision of a public authority responsible to the Government.

Alternative B - Complete merger of the Electricity Industry in one Company.

Alternative C - Central generation and main transmission under the supervision of a public authority responsible to the Government.

The Seven Year Programme stated that in case alternative (C) is not adopted, alternative (A) will be adopted.

The Electricity Division of the Ministry of National Economy will be expanded to pursue and control generation, transmission, distribution and metering. It will also carry out administration and legal and financial matters, particularly the pricing policy. An advisory council shall also be established to discuss all matters pertaining to electric supply.

XI Education

To carry out this programme, the following must be done:

1. Increase enrolment in the primary and preparatory schools such that 85% of all children 6 - 14 of age are in school in 1970/71.

2. Certification of primary and preparatory school teachers through the expansion of Amman Centre, establishment of a certification centre for women teachers, re-designing the in-service summer courses whereby at least 75% of the programme serves the certification process, establishment of centers to provide accreditive evening classes, extending the facilities to the secondary school teachers to enable them complete their education by correspondence, summer courses and scholarships, benefiting from the resources of the University of Jordan, certification of teachers of the Teachers' Colleges by increasing scholarships and providing study leave, encouraging summer courses for higher studies and raising the qualifications of professional personnel in the Ministry through local education courses, summer courses and scholarships.

3. Consolidating and expanding the 6 Teachers Colleges by unifying these colleges into 2 Men Teachers Colleges at Amman and Hawarah and 2 Women Teachers Colleges at Ramallah and Ajloun and increasing their capacities, expanding Hussein Agricultural College by initiating a Department of Science Education with a two-year programme for graduating preparatory school science teachers, continuing to prepare agricultural teachers for the preparatory stage and agricultural extension agents, expanding the total enrolment of the college and increasing the number of teachers, training of female science teachers at Ramallah Teachers College

by providing a programme for new laboratory facilities and equipment, providing special allowances for teachers at teachers colleges according to their qualifications and appointment of a Special Educational Liaison Committee to work toward having credit hours earned in the Jordan Teachers Colleges transferable to other Arab Universities in the region.

4. Re-organizing the Ministry of Education by issuing a regulation for the Ministry's staffing pattern and a regulation for the staffing patterns of the Directors' Offices to enable the administrative structure to execute this programme and expediting the issuance of the report of the "Higher Commission for Curricula and Textbooks" so that textbooks may be written, published and distributed in March of each year.

5. Preparing a programme for the purchase of lands and construction of school buildings thereon by allocating funds in the annual budget for the purchase of the required lands. Constructing new school buildings through capital spending, preparation of the buildings specifications, inviting tenders from private investors, acceptance of the lowest bids and renting buildings after completion under long term contracts with purchase option.

6. Completing and expanding the two industrial secondary schools at Jerusalem and Nablus, expanding the industrial secondary school at Irbed allocating the necessary funds, freezing academic secondary education and diversifying and expanding vocational training instead by transforming the teachers college at Beit Hanina to a higher college for business administration, opening agricultural schools at Huson and Wadi Yabes, expanding the present agricultural schools at Arroub, Al-Rabbeh and Shobak, establishment of an industrial school at Zerka and opening secondary vocational schools for girls at Amman and Jerusalem.

7. Inaugurating a school health programme with trained visiting nurses in each district under the supervision of a medical doctor in the Ministry and the addition of a number of doctors at a later date, meeting the cultural, social and physical needs of the students by planning pilot projects in physical education, music, art and theatre and adding the subject of specialization and technical education, establishment of another institute for training teachers in physical education for the compulsory stage and reducing the number of illiterate adults by opening a number of educational centers and utilizing the teacher staff who will be requested to teach additional lessons against additional allowances.

XII Health

The health sector includes the following proposals:

1. Hospitals: Increase in the number of hospital beds from 19.5 per 10,000 persons in 1963 to 25 beds in 1970 by constructing 9 new Government hospitals with 895 beds and increase the number of private hospital beds by 414 beds. 300,000 citizens will be treated in the Military Hospital in 1970.

2. Health Centres: Construct 14 health centres in the districts to carry out laboratory tests, emergency surgical operations and general clinical operations. Each centre will have 4-6 beds for emergency and an ambulance. The centre will also provide Tuberculosis control services and operate as Maternity and Child Centres. The centres will be distributed on the various districts according to need.

3. Health Schools: Expand the present health schools such as the Nursing School which accommodates 80 students, construct a Practical Nursing School and expand and construct the Midwifery School, the Sanitary Sub-Inspectors Health School and the Health Workers School.

4. Tuberculosis Control: Increase the number of beds at Amman T.B. Hospital by 25.

5. Quarantine Stations: Establish quarantine stations at all points of entry into Jordan such as H-4, Ramtha, Aqaba Port, Amman Airport and Jerusalem Airport.

6. Malaria Eradication: The Malaria Eradication Project is still underway and the project agreement with USAID is expected to expire in 1967-8 after which the operations of the project will be carried out by the Ministry of Health.

7. Additional Personnel: At present the Ministry of Health suffers from lack of personnel part of which will be covered up in 1970 from the graduates of local health schools. This part of personnel includes sanitary engineers, environmental sanitation officials, health inspectors, health workers, public health nurses and midwives.

8. Re-organization of the Ministry of Health: Conduct an overall study of the Ministry of Health for re-organization purposes. This study shall be undertaken by a team consisting of one senior member of the Ministry of Health and a foreign expert. About 8 months will be required for the team to complete its studies and submit its report.

9. Training abroad: Employees of high standards will be sent abroad with scholarships given by foreign agencies up to 1970/1971 to meet the Ministry's needs.

XIII Housing and Government Buildings

Housing Corporation

The Corporation will be established in 1966 as a statutory autonomous body with its chairman and directors representing various interests concerned with housing. Following are the most important objectives of the Corporation:

1. Developing plans for houses and making them available at cost to prospective proprietors.

2. Assisting in the organization and financing of construction of dwellings for middle-income citizens.

3. Making loans to Government officials of a specific income limit with a maximum interest of 7.5%, provided that the interest is used to finance further house construction.

4. Construct a limited number of houses each year of the programme in addition to the houses that are constructed by the cooperative societies in the early year of the programme. The Corporation will be financed by the Government sector, private sector and from foreign loans.

Government Buildings

The 1963/1964 budget indicated that about JD 395,000 were allocated for Government rented buildings for administrative purposes and others. Thus, a programme for Government buildings was set to achieve the following most important objectives:

1. Provide satisfactory accommodation for Government Ministries and Departments at the lowest cost possible.

2. Create a long run plan for Government buildings and construct a modest nucleus of a Government compound in Amman. The Ministry of Public Works and the Development Board would produce this plan. The Government will continue to rent buildings for many years to come due to inavailability of sufficient capital to finance this programme at present.

XIV Social Welfare, Labour and Cooperation

This programme includes the following projects:

1. Foster Parenthood, Children's Homes and Children's Nurseries

   (a) Placing children who have no families, or whose families are unable to provide them with the basic necessities of life, in more happily-endowed families.

   (b) Establishment of children's homes.

   (c) Establishment of nurseries.

2. Remand Homes, Boys Reform Schools and Boys and Girls Clubs

   (a) Construct an additional remand home for boys.

   (b) Construct two boys reform schools.

   (c) Construct boys clubs.

   (d) Construct girls clubs.

   (e) Construct youth homes and camps.

3. Urban Community Centres and Citizens Advice Bureaus

   Construct one Community Centre and two citizens advice bureaus.

4. Schools for Deaf and Dumb Children, Homes for the Aged, Homes for Blind Girls, Homes for Care and Rehabilitation of Deviate Girls, Schools for the Mentally Retarted and Schools for Defective Persons

This sector includes the following programme:

(a) Constructing a school for deaf and dumb children.

(b) Constructing two homes for the aged.

(c) Constructing a home for the blind girls.

(d) Constructing a home for the care and rehabilitation of deviate girls.

(e) Construct a school for the mentally retarded.

(f) Constructing a school for defective persons.

5. Training Institute for Social Workers, Financial Aid Rehabilitation Programme, Research Division, Administration, Travel and Purchase of Cars and Training Abroad.

Establish an institute to accommodate 120 trainees in the second year.

6. Labour

The Labour Department will enforce the Amended Labour Law which requires the establishment of new divisions and inpreasing the number of employees of this Department. Employees will also be trained annually during the period of the programme. A Training Institute for professional workers will be established and its building and equipping will be completed in 1970.

7. Cooperative Movement

The cooperative movement aims at:

(a) Encourage the formation of artisan cooperative societies and expand the present societies.

(b) Form new housing cooperative societies.

(c) Encourage the other non-agricultural cooperative societies.

XV Trades and Services

This programme includes hotel, restaurant, recreation and tourist services as well as importing, exporting, wholesaling, retailing, commission agents, transportation, insurance, professional services and domestic services.

(a) Hotel, Restaurant and Tourist Services

Objectives

1. Provide the services required for tourists.

2. Provide the services required for Jordanians themselves.

3. Expand entertainment facilities for tourists and residents alike.

4. Provide the services required for tourists by fixing the prices of merchandise bought by tourists and execute the proposals covered under the Tourism Chapter, i.e. establishment of Hotel Operators' Association, Hotel Training School, Guide and Tourist Police School, Tourist Transport Corporation and other matters for the promotion of tourism.

(b) Foreign Trade and Capital

Objectives

1. Promotion of exports.

2. Restraint of imports.

3. Encouragement of foreign investment in Jordan.

The programme proposes the establishment of a Commerce and Companies Section in the Ministry of National Economy to include the present Department of Supply, Import and Export. The functions of this Section will include promotion of exports, studying of trade agreements, arranging for Jordan's participation in world fairs, encouragement of foreign investment in Jordan, studying of Jordanian imports and licencing those that are in the national interest.

The programme proposes also the appointment of commercial attaches to the Commerce and Companies Section in certain important embassies, appointment of economists in the Section, licencing of imports after careful study of the country's needs, encouragement of foreign investment in several ways, charging Aqaba Port Authority with steva-doring, studying the possibility of creating a Free Zone and expanding the Goods Estimation Section at Aqaba Port.

(c) Wholesaling, Retailing, Commission Agents, Transportation Services and Insurance

Objectives

1. Improving the efficiency of this sub-sector.

2. Coordinating the number of functions now performed by several Government bodies.

This programme proposes the definition of the Commerce and Companies Section in the Ministry of Economy by recommending the issuance of licences to wholesalers and retailers, maintaining a commercial registry of all wholesalers and retailers, registration of all joint stock companies, studying of internal commerce, sponsoring courses in accounting and management techniques in cooperation with the organizations concerned, reviewing the condition of vehicles in Jordan and issuing import licences in the light of this study, procurement of supplies for Government use, distribution of certain commodities such as wheat and sugar as required in the national interest, undertaking the responsibility of in kind assistance received by Jordan under the United States PL 480, enforcing the proposed law of Commission Agents and enforcing the proposed Insurance Law. The Standards Bureau should operate as part of the Commerce Section.

(d) Professional and Personal Services

Objectives

To facilitate the process of obtaining the following services:

1. The services of the two employment offices planned for establishment in Amman and Jerusalem.

2. Publishing the national register of professional, scientific and related personnel which is being developed in the Development Board.

3. Make available to the private sector the applicants' files received by the Civil Service Commission.

4. Publishing the Manpower Survey Report which was conducted by the Development Board in early 1964.

XVI Financial Institutions

The programme includes the following objectives:

1. Development of Jordan's financial structure and its adaptation to the growth potential of the economy.

2. Design a financial plan consistent with the overall objectives of the development programme by raising the propensity to save and invest productively, provision of adequate credit for growth and maintenance of a financially stable environment needed for economic development.

Following are the proposals for the execution of the programme's objectives:

(a) Establishment of the Central Bank in Jordan to exercise its powers as contained in Law No. 4 of 1959, as amended in 1960 which will support the development programme in the various economic, financial and banking fields and the administration of Government balances.

The operations of the Central Bank should include the following:

1. Enforce the Laws that regulate the Banks' operations and foreign exchange.

2. Establish, in accordance with Article 37 of the Central Bank Law, a reserve ratio for the Banks.

3. Encourage greater use of the Banks' current accounts.

4. Facilitate the availability of credit to the various sectors of economy.

5. Augment national savings through the establishment of cooperative societies, savings and loans associations and postal savings funds.

6. Establish and operate a clearing house where inter-bank financial claims will be settled.

7. Encourage the development of a capital market.

8. Encourage the sale of Government bonds to commercial banks, insurance companies, cooperative societies, societies and the public at large.

(b) Commercial Banks

Increase the commercial Banks' contribution to economic development particularly to industry and construction. On this occasion, the Seven Year Plan aims at expanding the other credit facilities in the country and increasing their effectiveness in the field of economic development. These facilities are the Agricultural Credit Corporation, The Industrial Development Fund and Municipal Loan Fund.

(c) Establishment of Postal Savings Institutions

Postal Savings Institutions shall be established before 1966. It is proposed that a committee be formed to draft the Law of these institutions and submit it to the Council of Ministers before March 1, 1965.

(d) Development of a Capital Market

Establish a capital market to encourage savings and investments in bonds and shares and establish securities exchanges in Amman and Jerusalem before 1966. It is proposed that a committee be formed to draft the necessary laws.

(e) Regulation of the Operation of the Insurance Companies

Pass the draft law for the Control of Insurance operations which was submitted to the Council of Ministers in 1963.

XVII Statistics

Due to the importance of statistics in the economic planning operation, the programme aims at strengthening the Department of Statistics and providing it with qualified persons to enable it to dispense gradually with the services of foreign experts.

This programme calls for:

(a) Establishment of a Statistical Training Centre during 1964

The operating costs of the Centre (about JD 3,000 annually) will be borne in 1964/65 by Ford Foundation. The Government will pay one-fourth in 1965/66 and an additional one-fourth in each succeeding year until it is bearing the full cost in 1968/69. The expert assigned by Ford Foundation to supervise the Centre will assist in giving opinion on the organization of the activities of the Statistics Department.

(b) Review of the Current Statistical Series

A committee shall be set up to review all present statistical series to ascertain what further series could be included and which of them must be cancelled or amended.

(c) Recruitment of Additional Staff

There is need for the appointment of 4 statistical specialists, 25 secondary school graduates and 21 equipment operators.

(d) Addition of Mechanical Equipment

It is necessary to add new equipment to the Department of Statistics to meet its requirements.

(e) Study Abroad

In each year of the Plan, 2 employees will be sent to specialize in statistics.

(f) The following special Studies

1. Annual national income studies.
2. Family budget survey and cost of living, retail and wholesale price indexes.
3. Continue the manpower studies.
4. Conduct agricultural census during the years 1965/66, and 1966/67.
5. Improve the statistics of agricultural production.
6. Study the agricultural marketing statistics in collaboration with the Agricultural Marketing Bureau.

XVIII Local Governments

As the local Governments in Jordan are in the stage of growth and in need of an overall study of their various activities and relationship to the central Government, the Seven Year Plan provided for the appointment of a team consisting of members of Ministry of Interior, the Development Board and an expert to conduct a thorough study of local Governments including the responsibilities of these Governments, their administration, financing and the appropriate form of assistance required for town and country planning.

As to villages, the Seven Year Plan provided for the unification of system in both banks of Jordan with respect to the formation of village Councils and undertaking a study of the village development sources in Jordan.

As the local Governments, whether in the Municipalities or villages, are in urgent need for expanding their services such as water, sewage, electricity, roads, buildings and schools, the total capital expenditures of municipalities amounted to about JD 15 million during the period of the Plan. In this respect, it was suggested that a Financial Institution be established to include the Municipal Loan Fund and Village Development Loans Fund and perhaps any other fund that might be established for housing in order to provide the local Governments with the loans required for the execution of their projects. The Seven Year Plan pointed out the necessity of providing this fund with adequate funds.

The Seven Year Plan considered town and country planning vital to the proper growth of the Kingdom, especially with the rapid growth of the local Governments. The programme proposed that a Town and Country Planning Unit be created and the adoption of the draft law on Town and Country Planning as soon as possible.

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